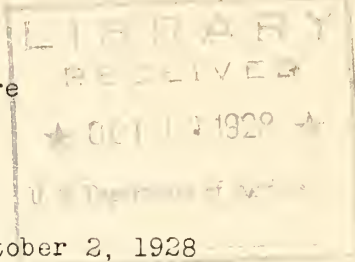


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

527
Bi-985
10-28

United States Department of Agriculture
Bureau of Biological Survey



October 2, 1928

MEMORANDUM RELATIVE TO TAX ON PURCHASES OF GASOLINE FOR GOVERNMENT USE

The Supreme Court of the United States has decided that no State can legally collect tax from dealers account gasoline sold to the United States. Pursuant of this decision, the Comptroller General of the United States has ruled that on and after July 1, 1928, State tax on gasoline should not be included in any form in the price charged for gasoline sold to the United States, or its agencies. If included refund of tax will be obtained by the Comptroller General from the States involved.

It is hoped that all the States having gasoline tax laws will in due course provide some means for exempting from tax purchases of gasoline made on behalf of the United States. Exemption certificates are now furnished in some States, these exemption certificates being supplied to dealers in gasoline, and in each instance of a purchase of gasoline for Government use the employee making the purchase fills out and signs one of these certificates, whereupon gasoline tax is not included in the price charged the Government for the gasoline.

Whenever a purchase of gasoline, however small, is made on behalf of the Government in a State where gasoline tax is in effect, the employee making the purchase should make it plain to the dealer, exhibiting credentials if necessary, that purchase is being made for the use of the Government of the United States. If the dealer is supplied with exemption certificates one of these should be made out and signed by the employee, and voucher or subvoucher, as the case may be, covering the purchase of the gasoline for Government use should then bear in a conspicuous place the statement that no State tax in any form is included in the price charged for the gasoline. Where exemption certificates are not available and the dealer insists on including the tax on gasoline in the amount charged for the gasoline, in order that there may be available sufficient data upon which to base claim for refund, one of the two methods outlined below should be followed:

1. If the purchase is a small one, being made by Government employee in transit in Government truck, motor boat, or the like, and payment is made by employee in cash he should take receipt in duplicate (Subvoucher Form 4b, or ordinary commercial receipt), pains being taken to have such receipt show State, date, and vendor, and the number of gallons procured, base price per gallon, and tax per gallon, as well as total paid. Both receipts, one, of course, being signed by the dealer showing receipt by him of cash for the purchase, the other marked "duplicate", should be attached to the employee's reimbursement voucher. This requirement will

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

1894

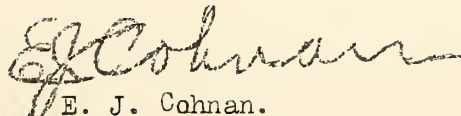
apply to all purchases of gasoline where tax is included and cash is paid even though the amount of the purchase is \$1, or less. Paragraph 95(k) of the Standardized Government Travel Regulations does not, therefore, apply to these gasoline purchases.

2. Where purchase is made on Form 1034 voucher, the date of delivery of each purchase of gasoline, the number of gallons, the base price per gallon and the tax per gallon, as well as the total of each purchase, should be clearly stated on the voucher, and in addition for each such purchase the voucher should be accompanied by vendor's invoice or bill, not receipted but signed by the vendor, evidencing the delivery of the gasoline. This invoice or bill should show the State, date, and name of vendor, and the number of gallons of gasoline delivered, the base price per gallon and tax per gallon, as well as total of the purchase involved.

A Form 1034 voucher may, as heretofore, be continued to be used to cover purchases of gasoline made during a month, or other period of time, but each purchase of gasoline covered by such 1034 voucher should be shown separately as to date of delivery of the gasoline and as regards the other data called for above, and should be supported by separate delivery invoice or bill. If preferred, where only one purchase of gasoline is involved in a 1034 voucher, in lieu of vendor's invoice or bill, an extra memorandum copy of the voucher may be used as such invoice or bill, this memorandum copy to give the information called for above and to be signed by the vendor showing delivery of the gasoline.

Wherever operations are carried on to a considerable extent from one point in the field and it is practicable to do so, bids should be solicited on gasoline required for Government use. When bids are solicited, a definite statement is made on the solicitation that State gasoline tax must not be included in any form in the price bid on the gasoline. The solicitation of bids for estimated quantities of gasoline is the simplest method of dealing with the State gasoline tax problem. It should be followed wherever conditions permit, and employees who think they could use this method to advantage should request the Bureau for instructions regarding procedure.

Please note that exemption from State gasoline tax applies only to purchases made by or on behalf of the United States Government. It does not apply to purchases of gasoline made by employees for use in personally owned automobiles even though those automobiles are being operated upon a mileage basis in official travel.


E. J. Cohnan.
In Charge of Accounts.

... ..

...

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..